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**Report on the Retiree Health Care
Valuation of the
School Employees Retirement System of Ohio**

Prepared as of June 30, 2011



Cavanaugh Macdonald
CONSULTING, LLC
The experience and dedication you deserve

November 7, 2011

Board of Trustees
School Employees Retirement System
Of Ohio
300 East Broad Street
Suite 100
Columbus, OH 43215-3746

Dear Members of the Board:

Governmental Accounting Standards Board Statements No. 43 and 45 require actuarial valuations of retiree medical and other post employment benefit plans. We have submitted the results of the annual actuarial valuation of the Retiree Health Care Valuation of the School Employees Retirement System of Ohio (SERS) prepared as of June 30, 2011. While not verifying the data at source, the actuary performed tests for consistency and reasonability. The valuation indicates that the Annual Required Contribution (ARC) required by GASB Statement 45 is 5.59% of active payroll payable for the fiscal year ending June 30, 2012. Any net claims or premiums paid for retiree health care are considered contributions toward the ARC. Your attention is directed particularly to the summary of results on page 1 and the comments on page 6. Please note that the actuarial assumptions adopted by the Board in April, 2011 were utilized in developing the results shown in the report as of June 30, 2011.

The medical and drug benefits of the Plan are included in the actuarially calculated contribution rates which are developed using the entry age normal cost method with the normal cost rate determined as a level percentage of payroll. GASB requires the discount rate used to value a plan be based on the likely return of the assets held in trust to pay benefits. The discount rate used in this valuation is 5.25%. Gains and losses are reflected in the unfunded accrued liability that is amortized by regular annual contributions as a level percentage of payroll within a 30-year period, on the assumption that payroll will increase by 4.00% annually. The assumptions recommended by the actuary are, in the aggregate, reasonably related to the experience under the Plan and to reasonable expectations of anticipated experience under the Plan and meet the parameters for the disclosures under GASB 43 and 45.

To the best of our knowledge, this report is complete and accurate. The valuation was performed by, and under the supervision of, independent actuaries who are members of the American Academy of Actuaries with experience in performing valuations for public retirement systems. The undersigned are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

The valuation was prepared in accordance with the principles of practice prescribed by the Actuarial Standards Board.

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November 7, 2011
Board of Trustees
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Future actuarial results may differ significantly from the current results presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. Since the potential impact of such factors is outside the scope of a normal annual actuarial valuation, an analysis of the range of results is not presented herein.

The actuarial calculations were performed by qualified actuaries according to generally accepted actuarial procedures and methods. The calculations are based on the current provisions of the system, and on actuarial assumptions that are, in the aggregate, internally consistent and reasonably based on the actual experience of the system.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Thomas J. Cavanaugh'.

Thomas J. Cavanaugh, FSA, FCA, EA, MAAA
Chief Executive Officer

A handwritten signature in blue ink, appearing to read 'Alisa Bennett'.

Alisa Bennett, FSA, FCA, EA, MAAA
Principal and Consulting Actuary

TJC/AB:lb



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**REPORT ON THE ANNUAL VALUATION OF THE
SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO**

PREPARED AS OF JUNE 30, 2011

SECTION I – SUMMARY OF PRINCIPAL RESULTS

1. This report, prepared as of June 30, 2011, presents the results of the annual actuarial valuation of retiree health care offered to SERS members. For convenience of reference, the principal results of the valuation and a comparison with the preceding valuation results are summarized in the following table.

	June 30, 2011	June 30, 2010
Active members included in valuation		
Number	125,337	126,015
Annual Compensation	\$2,852,378,614	\$2,842,660,159
Service Retirees		
Number	32,765	33,920
Disability Retirees		
Number	3,868	4,132
Spouses of Retirees		
Number	7,470	8,302
Spouses of Deceased Retirees		
Number	2,306	2,424
Survivor Benefit Recipients		
Number	1,244	1,376
Children		
Number	498	451
Deferred Vesteds		
Number	4,017	3,992
Assets		
Market Value	\$355,705,744	\$325,004,169
Unfunded Accrued Liability	\$2,054,422,333	\$2,044,139,551
Actuarial Accrued Liability	\$2,410,128,077	\$2,369,143,720
Funded Ratio (MVA/AAL)	14.76%	13.72%
Employer Contribution Rate		
Normal	2.75%	3.09%
Accrued Liability	<u>2.84</u>	<u>2.84</u>
Total	5.59%	5.93%
Employer Contribution Toward Health Care*	2.05%	2.93%
Accrued liability amortization period	30	30

* Includes 1.50% of payroll surcharge



2. The employer health contribution rate is set at 2.05%. This rate includes the anticipated revenue from the minimum surcharge level for the 2011-2012 fiscal year of \$35,800.
3. The valuation balance sheet showing the results of the valuation is given in Schedule A.
4. Comments on the valuation results are given in Section IV, comments on the experience and actuarial gains during the valuation year are given in Section V, and the rates of contribution payable by the employer are given in Section VI.
5. Since the previous valuation, actuarial assumptions were updated in conjunction with the 5-year experience study performed for the period beginning July 1, 2005 and ending June 30, 2010. The assumptions were adopted by the Board in April of 2011.
6. There were no changes in interest rate, age related morbidity, medical trend, or plan participation assumptions since the last valuation.
7. Schedule B details the actuarial assumptions and methods employed. Schedule C gives a summary of the benefit and contribution provisions of the plan.
8. All information in this report for years prior to the year ended June 30, 2008 were provided by the System's previous actuary and the accuracy of that information is the responsibility of that actuary.



SECTION II – MEMBERSHIP DATA

Data regarding the membership of the System for use as a basis for the valuation were furnished by the System's office. The following tables summarize the membership of the system as of June 30, 2011 upon which the valuation was based. Detailed tabulations of the data are given in Schedule D.

Active Members

Number	Payroll	Group Averages		
		Salary	Age	Service
125,337	\$2,852,378,614	\$22,758	48.4	9.9

The following table shows a six-year schedule of active member valuation data.

SCHEDULE OF SERS ACTIVE MEMBER VALUATION DATA

Valuation Date	Number	Annual Payroll	Annual Average Pay	% Increase in Average Pay
6/30/2006	123,266	\$2,553,331,924	\$20,714	3.8%
6/30/2007	123,013	2,603,300,211	21,163	2.2
6/30/2008	124,370	2,651,800,981	21,322	0.8
6/30/2009	125,465	2,787,390,954	22,216	4.2
6/30/2010	126,015	2,842,660,159	22,558	1.5
6/30/2011	125,337	2,852,378,614	22,758	0.9



The following table shows the number of retired members and their beneficiaries receiving health care as of the valuation date as well as average ages.

Retired Lives

Type of Benefit Recipient	Number	Average Age
Service Retiree	32,765	76.1
Disability Retiree	3,868	65.8
Spouses	11,020	77.0
Children	498	26.0
Total	48,151	75.0

This valuation also includes 4,017 inactive members eligible for health care at age 60.



SECTION III – ASSETS

1. As of June 30, 2011 the total market value of assets amounted to \$355,705,744.

Asset Summary Based on Market Value			
(1)	Assets at June 30, 2010	\$	325,004,169
(2)	Contributions and Misc. Revenue		209,140,373
(3)	Investment Gain (Loss)		42,728,472
(4)	Benefit Payments		<u>(221,167,270)</u>
(5)	Assets at June 30, 2011	\$	355,705,744
	(1) + (2) - (3) + (4)		
(6)	Annualized Rate of Return*		13.4 %

*Based on the approximation formula: $I/[0.5 \times (A + B - I)]$, where

- I = Investment Gain (Loss)
- A = Beginning of year asset value
- B = End of year asset value



SECTION IV - COMMENTS ON VALUATION

Schedule A of this report contains the valuation balance sheet which shows the present and prospective assets and liabilities of the System as of June 30, 2011.

1. The total valuation balance sheet on account of health care shows that the System has total prospective health care liabilities of \$3,297,561,220, of which \$884,782,744 is for the prospective benefits payable on account of present retired members and beneficiaries of deceased members, \$12,239,025 is for the prospective benefits payable to current deferred vested members, and \$2,400,539,451 is for the prospective benefits payable on account of present active members. Against these health care liabilities the System has a total market value of assets of \$355,705,744 as of June 30, 2011. The difference of \$2,941,855,476 between the total liabilities and the total present actuarial value of assets represents the present value of contributions to be made in the future on account of health care. Of this amount, \$0 is the present value of future contributions expected to be made by members, and the balance of \$2,941,855,476 represents the present value of future contributions payable by SERS.
2. SERS' contributions on account of health care consists of normal contributions and accrued liability contributions. The valuation indicates that employer normal contributions at the rate of 2.75% of payroll are required to provide the benefits of the System for the average new member of SERS.
3. Prospective employer normal contributions on account of health care at the above rates have a present value of \$887,433,143. When this amount is subtracted from \$2,941,855,476, which is the present value of the total future contributions to be made by the employer, there remains \$2,054,422,333 as the amount of future accrued liability contributions.
4. It is recommended that the accrued liability contribution rate payable by SERS on account of health care be set at 2.84% of payroll. This rate is sufficient to liquidate the unfunded accrued liability of \$2,054,422,333 over 30 years on the assumption that the aggregate payroll for members will increase by 4.00% each year.



SECTION V – DERIVATION OF EXPERIENCE GAINS AND LOSSES

Actual experience will never (except by coincidence) coincide exactly with assumed experience. It is assumed that gains and losses will be in balance over a period of years, but sizable year to year fluctuations are common. Detail on the derivation of the experience gain (loss) for the year ended June 30, 2011 is shown below (\$ thousands).

Experience Gain/(Loss)

(1)	UAAL* as of 6/30/10	\$	2,044,140
(2)	Normal cost from last valuation		87,743
(3)	Expected employer contributions		<u>169,146</u>
(4)	Interest accrual: [(1) + (2) - (3)] x .0525		103,044
(5)	Expected UAAL before changes: (1) + (2) - (3) + (4)	\$	2,065,781
(6)	Change due to plan amendments		0
(7)	Change due to new actuarial assumptions		104,640
(8)	Change due to claims experience		(156,285)
(9)	Expected UAAL after changes: (5) + (6) + (7) + (8)	\$	2,014,136
(10)	Actual UAAL as of 6/30/11	\$	2,054,422
(11)	Total gain/(loss): (9) - (10)	\$	(40,286)
	(a) Contribution shortfall and investment loss		(58,415)
	(b) Experience gain/(loss) (11) - (11a)	\$	18,129
(12)	Accrued liabilities as of 6/30/10	\$	2,369,144
(13)	Experience gain/(loss) as percent of actuarial accrued liabilities at start of year (11b) / (12)		0.8%

* unfunded actuarial accrued liability



SECTION VI – REQUIRED CONTRIBUTION RATES

The valuation balance sheet gives the basis for determining the percentage rates for contributions to be made by employers to the Retirement System. The following tables show the rates of contribution payable by employers as determined from the present valuation for the 2011/2012 fiscal year.

Required Contribution Rates

Contribution for	Amount	% of Payroll
A. Normal Cost	\$ 78,330,068	2.75%
B. Member Contributions*	\$ 0	0.00%
C. Employer Normal Cost: [A - B]	\$ 78,330,068	2.75%
D. Unfunded Actuarial Accrued Liability**	\$ 81,000,163	2.84%
E. Total Recommended Employer Contribution Rate: [C+D]	\$ 159,330,231	5.59%
F. Employer Contribution Toward Health Care ⁺	\$ 58,473,762	2.05%

* The liabilities are net of retiree contributions towards their health care.

** Based on 30-year amortization of the UAAL from June 30, 2011.

+ Includes 1.50% of payroll surcharge.

Ten-Year History of Employer Contribution Rates

Fiscal Year Ending June 30	Employer Health Care Contribution Rate	Surcharge Percentage	Total Health Care Contribution Rate
2002	7.44%	1.07%	8.51%
2003	5.83%	1.30%	7.13%
2004	4.91%	1.50%	6.41%
2005	3.43%	1.50%	4.93%
2006	3.42%	1.50%	4.92%
2007	3.32%	1.50%	4.82%
2008	4.18%	1.50%	5.68%
2009	4.16%	1.50%	5.66%
2010	0.46%	1.50%	1.96%
2011	1.43%	1.50%	2.93%



SECTION VII - ACCOUNTING INFORMATION

Governmental Accounting Standards Board Statements 43 and 45 set forth certain items of required supplementary information to be disclosed in the financial statements of the System and the employer. The information presented in the required supplementary schedules was determined as part of the actuarial valuation at June 30, 2011. Additional information as of the latest actuarial valuation follows.

Valuation date	6/30/2011
Actuarial cost method	Entry Age
Amortization	Level Percent Open
Remaining amortization period	30 years
Asset valuation method	Market Value
Actuarial assumptions	
Investment rate of return*	5.25%
* Includes price inflation at	3.25%
Wage increases	4.00%
Medical Trend Assumption	9.0% - 5.0%
Year of Ultimate Trend	2016 - 2017

Another required item of disclosure is the Schedule of Funding Progress shown in the following table.



SCHEDULE OF FUNDING PROGRESS
(\$ in millions)

Actuarial Valuation Date	Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / (c))
1/01/2007	\$340	\$4,308	\$3,968	7.9%	\$2,598	152.8%
1/01/2008	\$391	\$4,513	\$4,122	8.7%	\$2,648	155.6%
6/30/2008 *	\$393	\$4,859	\$4,466	8.1%	\$2,652	168.4%
6/30/2009	\$376	\$4,280	\$3,904	8.8%	\$2,787	140.1%
6/30/2010	\$325	\$2,369	\$2,044	13.7%	\$2,843	71.9%
6/30/2011	\$356	\$2,410	\$2,054	14.8%	\$2,852	72.0%

* Valuation date changed from January 1st to June 30th

Schedule of Employer Contributions

Year Ended	Annual Required Contribution (ARC) (a)	Employer Contribution (b)	Retiree Drug Subsidy (RDS) Contribution (c)	Total Contribution (d) = (b)+(c)	Percentage of ARC Contributed (e) = (d)/(a)
June 30, 2007	\$299,379,524	\$170,948,274	\$20,202,965	\$191,151,239	63.8%
June 30, 2008	\$307,874,094	\$158,393,761	\$21,953,659	\$180,347,420	58.6%
June 30, 2009	\$373,789,127	\$163,411,488	\$23,504,101	\$186,915,589	50.0%
June 30, 2010	\$315,535,278	\$60,142,014	\$24,414,855	\$84,556,869	26.8%
June 30, 2011	\$169,146,052	\$86,908,283	\$0	\$86,908,283	51.4%



SCHEDULE A

Valuation Balance Sheet

The following valuation balance sheet shows the assets and liabilities of the retirement system as of the current valuation date of June 30, 2011 and, for comparison purposes, as of the immediately preceding valuation date of June 30, 2010.

**VALUATION BALANCE SHEETS
SHOWING THE ASSETS AND LIABILITIES OF THE
SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO**

	June 30, 2011	June 30, 2010
ASSETS		
Current market value of assets	\$ 355,705,744	\$ 325,004,169
Prospective contributions		
Employer normal contributions	887,433,143	1,018,044,119
Unfunded accrued liability contributions	<u>2,054,422,333</u>	<u>2,044,139,551</u>
Total prospective contributions	<u>\$ 2,941,855,476</u>	<u>\$ 3,062,183,670</u>
Total assets	<u>\$ 3,297,561,220</u>	<u>\$ 3,387,187,839</u>
LIABILITIES		
Present value of benefits payable on account of present retired members and beneficiaries	\$ 884,782,744	\$ 962,176,979
Present value of benefits payable on account of active members	2,400,539,451	2,416,835,277
Present value of benefits payable on account of deferred vested members	<u>12,239,025</u>	<u>8,175,583</u>
Total liabilities	<u>\$ 3,297,561,220</u>	<u>\$ 3,387,187,839</u>



The following table provides the solvency test for SERS members.

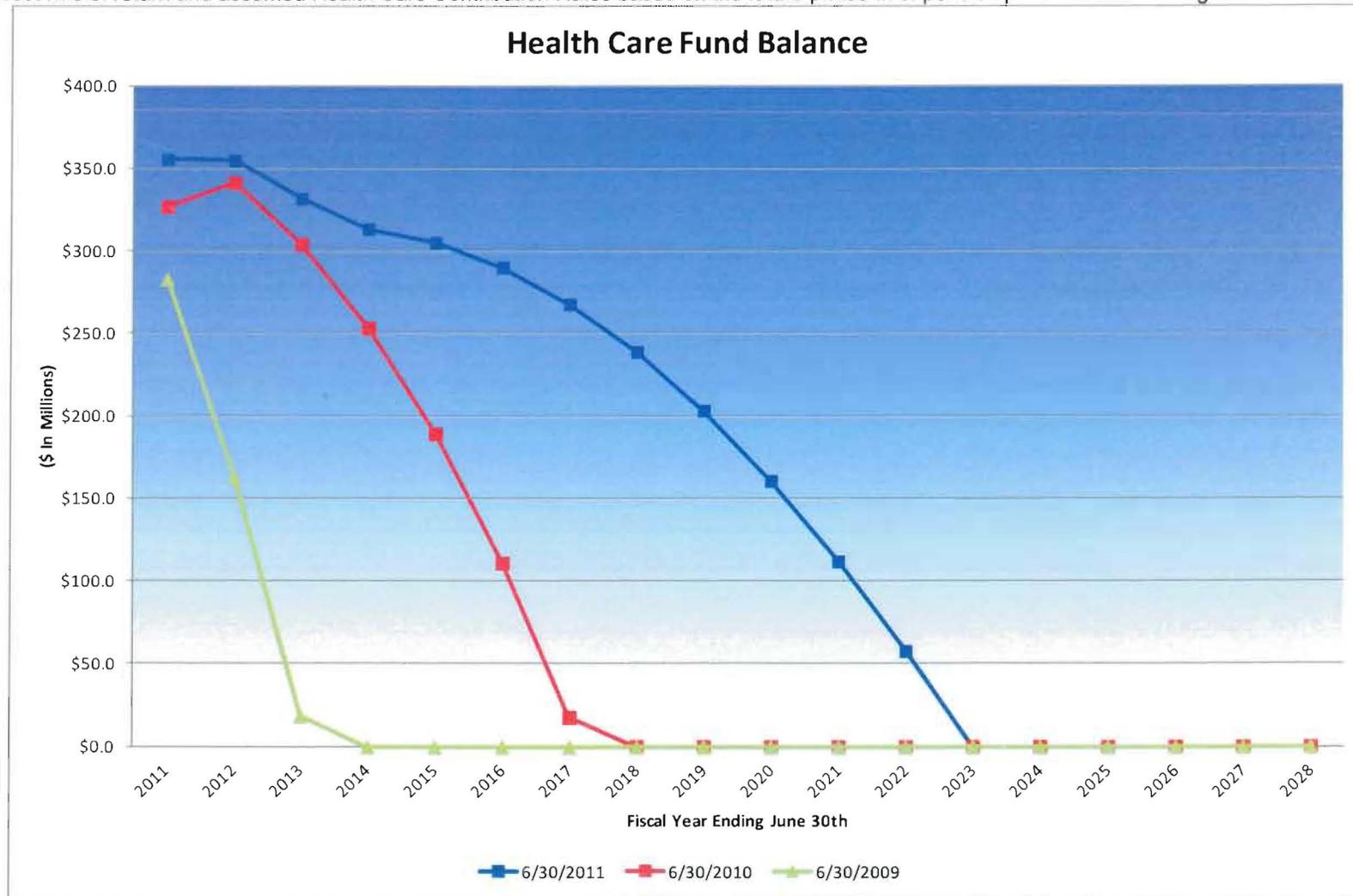
**Solvency Test
(\$ in millions)**

Valuation Date	Aggregate Accrued Liabilities For			Actuarial Value of Assets	Portion of Accrued Liabilities Covered by Reported Asset		
	(1) Active Member Contributions	(2) Retired Members & Beneficiaries	(3) Active Members (Employer Financed Portion)		(1)	(2)	(3)
1/01/2007	\$ 0	\$ 1,886	\$ 2,422	\$340	100.0%	18.0%	0.0%
1/01/2008	0	2,039	2,474	\$391	100.0	19.2	0.0
6/30/2008	0	2,148	2,711	\$393	100.0	18.3	0.0
6/30/2009	0	1,895	2,385	\$376	100.0	19.8	0.0
6/30/2010	0	970	1,399	\$325	100.0	33.5	0.0
6/30/2011	0	897	1,513	\$356	100.0	39.7	0.0



Solvency Chart

The following chart shows the projected Health Care Fund Balances based on the June 30, 2009, June 30, 2010 and June 30, 2011 valuations. The prior year projections are based on assumptions as of the prior year valuation dates. The June 30, 2011 projection is based on a 7.75% future asset rate of return and assumed Health Care Contribution Rates based on the future phase-in of pension plan actuarial asset gains and losses.





SCHEDULE B

STATEMENT OF ACTUARIAL ASSUMPTIONS AND METHODS

INTEREST RATE: 5.25% per annum, compounded annually (net after all System expenses).

HEALTH CARE COST TREND RATES: Following is a chart detailing trend assumptions:

Calendar Year	PPO	HMO
2011	9.00%	8.50%
2012	8.50%	8.00%
2013	7.50%	7.00%
2014	6.50%	6.00%
2015	6.00%	5.50%
2016	5.50%	5.00%
2017 and beyond	5.00%	5.00%

AGE RELATED MORBIDITY: Per capita costs are adjusted to reflect expected cost changes related to age. The increase to the net incurred claims was assumed to be:

Participant Age	Annual Increase	
	Medical	Prescription Drug
Under 41	0.00%	0.00%
41 – 45	2.50%	1.25%
46 – 50	2.60%	1.30%
51 – 55	3.20%	1.60%
56 – 60	3.40%	1.70%
61 – 65	3.70%	1.85%
66 – 70	3.20%	1.60%
71 – 75	2.40%	1.20%
76 – 80	1.80%	0.90%
81 – 85	1.30%	0.65%
85 and over	0.00%	0.00%

ANTICIPATED PLAN PARTICIPATION: The assumed annual rates of member participation and spouse coverage are as follows:

Member Gender	Spouse Coverage
Male	50.0%
Female	40.0%

Wives are assumed to be three years younger than husbands.

It was assumed that 25% of members enrolled in the self-insured non-Medicare plans would participate in the wellness program.



Years of Service at Retirement*	Member Participation
10 – 14	25.0%
15 – 19	45.0%
20 – 24	70.0%
25 – 29	75.0%
30 – 34	80.0%
35 and over	90.0%

* 100% of disabled retirees are assumed to participate. 50% of members retiring from inactive status are assumed to participate.

ANTICIPATED PLAN ELECTIONS: The assumed annual rates of member plan elections are as follows:

Plan Type	Future Retirees	
	Non-Medicare	Medicare
Indemnity/PPO/PFFS	67.0%	93.3%
HMO	33.0%	6.7%

Anticipated plan elections within the above plan types are further expanded below:

Plan Type	Future Retirees	
	Non-Medicare	Medicare
<u>PPO</u>		
MMO PPO	92.8%	0.0%
Aetna Medicare SM Plan	0.0%	99.9%
AultCare PPO	7.2%	0.1%*
<u>HMO</u>		
Aetna HMO	85.3%	0.0%
AultCare Medicare Advantage HMO	0.0%	40.3%
Kaiser HMO	11.0%	38.8%
Paramount HMO	3.7%	20.9%

* Applies to Medicare Part B Only

ANTICIPATED MEDICARE COVERAGE AT AGE 65: The assumed annual rates of future retirees obtaining Medicare coverage at age 65 are as follows:

Medicare Coverage	Percent Covered
No Medicare at age 65	1.0%
Medicare Part A	98.0%
Medicare Part B Only	1.0%

Current retirees under age 65 were assumed to have similar Medicare coverage at age 65 as their post-Medicare counterparts.



MONTHLY EXPECTED MEDICAL/PRESCRIPTION DRUG CLAIMS (INCLUDES ADMINISTRATIVE EXPENSES): Following are charts detailing expected claims for the year following the valuation date:

Retiree Costs						
Medicare Status	Aetna Managed Care/Aetna Medicare SM	Medical Mutual PPO	AultCare	Aetna HMO	Kaiser HMO	Paramount HMO
Non-Medicare	\$1,168	\$1,168	\$850	\$1,302	\$1,005	\$1,160
Medicare A	\$181		\$75		\$331	\$230
Medicare B Only	\$623		\$850		\$1,144	\$620

Spouse Costs						
Medicare Status	Aetna Managed Care/Aetna Medicare SM	Medical Mutual PPO	AultCare	Aetna HMO	Kaiser HMO	Paramount HMO
Non-Medicare	\$993	\$993	\$679	\$1,042	\$807	\$929
Medicare A	\$181		\$75		\$331	\$230
Medicare B Only	\$623		\$679		\$1,144	\$620

Children Costs						
Medicare Status	Aetna Managed Care/Aetna Medicare SM	Medical Mutual PPO	AultCare	Aetna HMO	Kaiser HMO	Paramount HMO
Non-Medicare	\$234	\$234	\$149	\$228	\$180	\$201
Medicare A	\$181		\$75		\$331	\$230
Medicare B Only	\$623		\$149		\$1,144	\$620

Above amounts are shown as average costs. In the valuation, the claims costs are converted to age 65 amounts and age adjusted.



SEPARATIONS FROM ACTIVE SERVICE: Representative values of the assumed rates of separation from active service are as follows:

Service	Annual Rates of Withdrawal
0	45.00%
1	31.00
2	23.00
3	17.00
4	13.00
5	9.00
10	4.00
15	2.00
20	2.00
25	1.50

Age	Annual Rates of			
	Death		Disability	
	Male	Female	Male	Female
20	.013%	.007%	.020%	.020%
25	.017	.007	.038	.020
30	.020	.009	.068	.026
35	.021	.012	.122	.054
40	.027	.018	.210	.100
45	.040	.024	.310	.168
50	.065	.036	.410	.260
55	.111	.057	.510	.360
60	.199	.111	.550	.400
65	.363	.216	.550	.400
70	.593	.343	.550	.400
74	.851	.510	.550	.400

Annual Rates of Service Retirements		
Age	Male	Female
50	28.0%	25.0%
55	20.0	21.0
60	18.0	17.0
62	20.0	20.0
65	25.0	25.0
70	14.0	14.0
75	100.0	100.0



SALARY INCREASES: Representative values of the assumed annual rates of salary increases are as follows:

Service	Merit & Seniority	Annual Rates of	
		Base (Economy)	Increase Next Year
0	18.00%	4.00%	22.00%
1	8.00	4.00	12.00
2	5.50	4.00	9.50
3	4.00	4.00	8.00
4	3.00	4.00	7.00
5	2.00	4.00	6.00
6	1.25	4.00	5.25
7	1.00	4.00	5.00
8	0.50	4.00	4.50
9	0.25	4.00	4.25
10-14	0.00	4.00	4.00
15 & over	0.00	4.00	4.00

PAYROLL GROWTH: 4.00% per annum, compounded annually.

PRICE INFLATION: 3.25% per annum, compounded annually.

DEATH AFTER RETIREMENT: The mortality table, for post-retirement mortality, used in evaluating allowances to be paid is the 1994 Group Annuity Mortality Table, set back one year for both men and women. Special tables are used for the period after disability retirement. This assumption is used to measure the probabilities of each benefit payment being made after retirement. There is sufficient margin in the current mortality tables for possible future improvement in mortality rates and that margin will be reviewed again when the next experience investigation is conducted.

VALUATION METHOD: Entry age normal cost method. Entry age is established on an individual basis.

ASSET VALUATION METHOD: Market value.



SCHEDULE C

SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO
Summary of Main Plan Provisions
as of June 30, 2011

ELIGIBILITY FOR ACCESS TO RETIREE HEALTH CARE:

Service Retirement: Members prior to May 14, 2008 Attainment of age 60 with at least ten years of creditable service, or completion of 30 years of creditable service, regardless of age, or has attained age 55 with at least 25 years of service.

Members after May 13, 2008 Attainment of age 62 with at least ten years of creditable service, or attainment of age 55 with at least 30 years of creditable service or attainment of age 60 with at least 25 years of creditable service.

Disability Retirement: Permanently disabled after completion of at least 5 years of total service credit.

Survivor (Death-in-Service) Allowances: Beneficiary must be receiving monthly benefits due to the death of a member, age and service retiree or disability benefit recipient.

Termination: Members that terminated with at least ten years of creditable service and have attained age 60 (age 62 for those becoming members after May 13, 2008).

PREMIUM PAYMENTS:

Members pay either all or a portion of the cost of health care and prescription drug coverage. The remainder of the cost is paid by SERS.

Effective January, 1, 2011, the following schedule lists the percentage of the premium paid by those members retiring prior to August 1, 2008:

Table with 3 columns: Years of Service at Retirement, Retirement Date on or before July 1, 1989, Retirement Date August 1, 1989 through July 1, 2008. Rows show percentages for 5-9, 10-14, 15-19, 20-24, and 25 and over years of service.



PREMIUM PAYMENTS (Continued):

The following schedule lists the percentage of the premium paid by those members retiring on or after August 1, 2008:

Years of Service at Retirement	Member Percentage
10 – 19	100.0%
20 – 24	50.0%
25 – 29	30.0%
30 – 34	20.0%
35*	15.0%

* 1% reduction for each year over 35.

Effective January 1, 2011, the following schedule lists the percentage of the premium paid by disability benefit recipients:

Years of Service	Member Percentage
5 – 9	50.0%
10 – 24	33.0%
25 and over	17.5%

Members may qualify for the Health Care Premium Discount Program if their household income falls at or below a specified level. Members qualifying will receive a 25% discount in their monthly health care premiums.

The following schedule lists the percentage of the premium paid by spouses of retirees:

Retiree or Deceased Member's Years of Service at Retirement	Spouse Percentage
1.5 – 24	100.0%
25 – 29	90.0%
30 and over	80.0%

Children of members pay 70.0% of the premium.

OTHER POST EMPLOYMENT BENEFITS: Health care and prescription drug coverage is provided in all of the group health care plan options. Dental coverage is available to members at the full cost.



RETIREE GROUP HEALTH CARE PLAN OPTIONS:

Options available to members without Medicare

- Medical Mutual of Ohio (MMO) PPO with Express Scripts, Inc. (ESI) prescription drug coverage
- Aetna Managed Care PPO with Express Scripts, Inc. (ESI) prescription drug coverage
- Aetna HMO with ESI prescription drug coverage
- AultCare PPO with BioScrip prescription drug coverage
- Kaiser Permanente HMO and Kaiser prescription drug coverage
- Paramount HMO with ESI prescription drug coverage

Options available to members with Medicare:

- Aetna MedicareSM Plan (PPO) with ESI Medicare Part D Prescription Drug Plan (PDP)
- Aetna Indemnity Plan (PPO) with ESI Medicare Part D Prescription Drug Plan (PDP)
- AultCare PrimeTime HMO Plan with BioScrip prescription drug coverage
- AultCare PPO with BioScrip prescription drug coverage
- Kaiser Permanente Medicare Plus HMO Plan with Kaiser prescription drug coverage
- Paramount Elite Medicare Advantage HMO Plan with ESI Medicare Part D Prescription Drug Plan (PDP)

The following pages contain information that was listed in the 2012 SERS Open Enrollment Booklet and the 2012 Member Health Care Guide.



2012 Contribution Rates

YEARS OF SERVICE	Aetna Managed Care/Aetna MedicareSM	Medical Mutual PPO	Aetna HMO Non- Medicare	Aultcare	Kaiser HMO	Paramount HMO
Retirement Date on or before July 1, 1989						
5-9.999 years						
Without Medicare	\$617	\$579	\$687	\$456	\$582	\$744
With Medicare A & B	\$146			\$59	\$142	\$145
10 years & over						
Without Medicare	\$251	\$238	\$326	\$195	\$260	\$340
With Medicare A & B	\$109			\$56	\$85	\$116
Retirement Date August 1, 1989 through July 1, 1993						
10-14.999 years						
Without Medicare	\$1,233	\$1,156	\$1,298	\$912	\$1,132	\$1,420
With Medicare A & B	\$256			\$117	\$284	\$244
15-19.999 years						
Without Medicare	\$617	\$579	\$687	\$456	\$582	\$744
With Medicare A & B	\$146			\$59	\$142	\$145
20-24.999 years						
Without Medicare	\$308	\$290	\$382	\$228	\$308	\$406
With Medicare A & B	\$109			\$56	\$85	\$116
25 years & over						
Without Medicare	\$251	\$238	\$326	\$195	\$260	\$340
With Medicare A & B	\$109			\$56	\$85	\$116
Retirement Date August 1, 1993 through July 1, 2008						
10-14.999 years						
Without Medicare	\$1,268	\$1,191	\$1,333	\$947	\$1,167	\$1,455
With Medicare A & B	\$291			\$152	\$319	\$279
15-19.999 years						
Without Medicare	\$652	\$614	\$722	\$491	\$617	\$779
With Medicare A & B	\$181			\$94	\$177	\$180
20-24.999 years						
Without Medicare	\$343	\$325	\$417	\$263	\$343	\$441
With Medicare A & B	\$125			\$64	\$106	\$130
25 years & over						
Without Medicare	\$251	\$238	\$326	\$195	\$260	\$340
With Medicare A & B	\$109			\$56	\$85	\$116



**2012 Contribution Rates
(continued)**

YEARS OF SERVICE	Aetna Managed Care/Aetna MedicareSM	Medical Mutual PPO	Aetna HMO Non- Medicare	Aultcare	Kaiser HMO	Paramount HMO
Retirement Date on or after August 1, 2008						
10-19.999 years						
Without Medicare	\$1,268	\$1,191	\$1,333	\$947	\$1,167	\$1,455
With Medicare A & B	\$291			\$152	\$319	\$279
20-24.999 years						
Without Medicare	\$652	\$614	\$722	\$491	\$617	\$779
With Medicare A & B	\$181			\$94	\$177	\$180
25-29.999 years						
Without Medicare	\$405	\$383	\$478	\$309	\$398	\$509
With Medicare A & B	\$136			\$70	\$120	\$140
30-34.999 years*						
Without Medicare	\$282	\$267	\$356	\$217	\$288	\$373
With Medicare A & B	\$114			\$58	\$92	\$121
SPOUSE PREMIUMS						
Retiree's Qualified Years						
Up to 25 years						
Without Medicare	\$1,053	\$1,022	\$1,072	\$763	\$943	\$1,169
With Medicare A & B	\$291			\$152	\$319	\$279
25-29.999 years						
Without Medicare	\$955	\$930	\$975	\$690	\$855	\$1,062
With Medicare A & B	\$269			\$141	\$290	\$259
30 years & over						
Without Medicare	\$857	\$838	\$878	\$618	\$766	\$954
With Medicare A & B	\$247			\$129	\$262	\$239
Child w/o Medicare A	\$212	\$174	\$184	\$147	\$173	\$197
Child with Medicare A & B	\$225			\$117	\$234	\$219
Disability Retirees						
5-9.999 years						
Without Medicare	\$617	\$579	\$687	\$456	\$582	\$744
With Medicare A & B	\$146			\$59	\$142	\$145
10-24.999 years						
Without Medicare	\$407	\$382	\$480	\$301	\$396	\$514
With Medicare A & B	\$109			\$56	\$94	\$116
25 years & over						
Without Medicare	\$251	\$238	\$326	\$195	\$260	\$340
With Medicare A & B	\$109			\$56	\$85	\$116

* Further reductions for each year over 35.



SERS' Medicare Plans

2012 Aetna MedicareSM Plan (PPO)

The Aetna MedicareSM Plan (PPO) is available if the benefit recipient has Medicare Part A and/or Medicare Part B. The Aetna MedicareSM Plan (PPO) is a Medicare Advantage (MA) plan. MA plans have a contract with Medicare to provide Medicare coverage. This plan is a Preferred Provider Organization (PPO) plan with an Extended Service Area (ESA) that allows members to use medical providers, such as doctors and hospitals, that may or may not be in the Aetna provider network as long as the provider accepts Medicare patients, and the provider will file claims with Aetna. ESI is the Medicare Part D Prescription Drug Plan (PDP) for enrollees in the Aetna MedicareSM Plan (PPO). The Aetna MedicareSM Plan (PPO) is available anywhere in the U.S.

2012 AultCare PrimeTime HMO Plan

The AultCare PrimeTime HMO plan is a Health Maintenance Organization plan with BioScrip prescription drug coverage. It is available to a benefit recipient if the recipient has Medicare Part A and Part B; and, if the recipient lives in the AultCare PrimeTime Health Plan service area. Recipients enrolled in the HMO must use HMO providers. AultCare PrimeTime MA HMO Plan is available in the following Ohio counties: Carroll, Columbiana, Harrison, Holmes, Jefferson, Mahoning, Stark, Summit, Tuscarawas, and Wayne.

2012 Kaiser Permanente Medicare Plus HMO (Medicare)

The Kaiser HMO (Medicare) plan with Kaiser prescription drug coverage is available to a benefit recipient if the recipient has Medicare Part A and/or Medicare Part B; and, the recipient lives in a Kaiser HMO service area. Recipients enrolled in the Kaiser HMO must use HMO providers. Kaiser HMO (Medicare) Plan is available in the following Ohio counties: Cuyahoga, Geauga, Lake, Lorain, Medina, Portage, and Summit.

2012 Paramount Elite Medicare Advantage HMO

The Paramount Medicare Advantage (MA) HMO with ESI Medicare Part D PDP (Prescription Drug Plan) coverage is available to a benefit recipient if the recipient lives in a Paramount HMO service area; and, the recipient has Medicare Part A and Medicare Part B. Recipients enrolled in the HMO must use HMO providers. Paramount Elite Medicare Advantage HMO is available in the following Ohio counties: Fulton, Lucas, Ottawa, and Wood, and in the following Michigan counties: Monroe and Lenawee.



SERS' Non-Medicare Plans

2012 Aetna Managed Care PPO

The Aetna Managed Care PPO plan is not available for optional enrollment. It is available only if a benefit recipient, or one or more covered family members, is enrolled in the SERS Aetna MedicareSM Plan PPO, and eligible dependents are not eligible for Medicare and under age 65. Those dependents will be enrolled in the Aetna Managed Care plan with Express Scripts Inc. (ESI) prescription drug coverage. Members participating in the wellness program will receive a small monthly reduction in monthly premiums.

2012 Aetna HMO (Non-Medicare)

The Aetna HMO plan with ESI prescription drug coverage is available if the benefit recipient is under age 65 and not eligible for Medicare. Enrollees must use Aetna HMO providers. Aetna HMO is available in all Ohio counties except: Athens, Belmont, Drake, Defiance, Gallia, Harrison, Jackson, Jefferson, Lawrence, Meigs, Mercer, Monroe, Paulding, Van Wert, Vinton, Washington, Williams, and Wyandot. Aetna HMO is also available in the following states and counties: Kentucky: Boone, Campbell, Kenton, Grant, Gallatin, and Pendleton; Indiana: Dearborn, Franklin, Ohio, and Switzerland.

2012 AultCare PPO

The AultCare PPO plan with BioScrip prescription drug coverage is available if the benefit recipient is under age 65 and not eligible for Medicare. AultCare PPO is available in the following Ohio counties: Ashland, Belmont, Carroll, Columbiana, Coshocton, Guernsey, Harrison, Holmes, Jefferson, Mahoning, Medina, Muskingum, Portage, Richland, Stark, Summit, Tuscarawas, and Wayne.

2012 Kaiser Permanente HMO

The Kaiser HMO with Kaiser prescription drug coverage is available if the benefit recipient is under age 65 and not eligible for Medicare. Kaiser HMO is available in the following Ohio counties: Cuyahoga, Geauga, Lake, Lorain, Medina, Portage, Stark, Summit, and Wayne.

2012 Medical Mutual of Ohio PPO

The Medical Mutual of Ohio (MMO) PPO plan is a Preferred Provider Organization plan with prescription drug coverage through ESI. The MMO PPO is available if the benefit recipient is under age 65 and not eligible for Medicare. The MMO PPO is available in all Ohio counties. The MMO PPO is also available in most other areas. Members participating in the wellness program will receive a small monthly reduction in monthly premiums.



**SERS' Non-Medicare Plans
(continued)**

2012 Paramount HMO (Non-Medicare)

The Paramount HMO includes prescription drug coverage through ESI, which is available if the benefit recipient is under age 65 and not eligible for Medicare. Paramount HMO is available in the following Ohio counties: Allen, Defiance, Erie, Fulton, Hancock, Henry, Huron, Lucas, Ottawa, Paulding, Putnam, Sandusky, Seneca, Williams, and Wood, and in the following Michigan counties: Monroe, and Lenawee.



Prescription Drug Coverage

Prescription drug coverage for those enrolled in the Aetna MedicareSM PPO Plan, the Aetna HMO plan, the Medical Mutual of Ohio PPO, and Paramount HMO health plans is available through Express Scripts, Inc. Kaiser has its own pharmacy and AultCare prescriptions are provided by BioScrip.

Express Scripts Prescription Plan

Members enrolled in the Medical Mutual PPO, Aetna Managed Care, Paramount HMO, or Aetna HMO plans who do not have Medicare may receive up to a 34-day supply per prescription. A 90 day supply is available from Medicare participating pharmacies for participants in the ESI Medicare PDP plan (those in the Aetna MedicareSM PPO or Paramount HMO Medicare plans). Members pay \$5 for generic, 25% of formulary (\$25 minimum and \$100 maximum) for preferred brand and 100% for non-preferred brand. There is no deductible to meet. Members may also receive a 90-day supply of their prescriptions via mail-order with a co-pay of \$12 for generic, 25% of formulary (minimum \$45 and maximum \$200) for preferred brand, and 100% of the cost for non-preferred brand. If members do not use an ESI participating pharmacy, the member must pay the full cost of the drug because there is no coverage available at pharmacies outside the network.

Members pay different co-payments for insulin. Members pay 25% or \$30 maximum for preferred, and \$45 for a non-preferred 30-day supply. Mail-order copayments are 25% or \$60 maximum for preferred, and \$115 for non-preferred 90-day supply.

Medicare and Prescription Drugs

Medicare Part D helps cover the cost of prescription drugs. Medicare beneficiaries must join a Medicare Prescription Drug Plan (PDP) to have prescription drug coverage. A PDP plan is available through private companies that work with Medicare to provide prescription drug coverage. SERS has a Medicare PDP plan with its Express Scripts prescription coverage for Medicare beneficiaries.

SERS' health plan participants with Medicare are automatically covered under a Part D plan through SERS and should not enroll in a separate Medicare Part D plan. Enrolling in another Part D plan would cause cancellation of SERS coverage for both medical and prescription benefits.



Prescription Drug Coverage (continued)

Kaiser Prescription Plan

Members enrolled in the Kaiser HMO Plan who do not have Medicare may receive up to a 31-day supply per prescription with a co-pay of \$10. Members may also receive a 90-day supply of their prescriptions via mail-order with a co-pay of \$25.

Members enrolled in Kaiser HMO Medicare Plan may receive up to a 31-day supply per prescription. The co-pay is \$15 for generic and \$30 for brand formulary. Members may also receive a 90-day supply of their prescriptions via mail-order with co-pay of \$15 for generic and a co-pay of \$30 for brand formulary, and 100% of the cost for non-preferred brand.

BioScrip Pharmacy Prescription Plan

Members enrolled in the AultCare PPO Plan (both those with Medicare and those without Medicare), may receive up to a 30-day supply per prescription. Members pay \$5 for generic, 25% of formulary (\$25 minimum and \$100 maximum) for preferred brand and 100% for non-preferred brand. Members may also receive a 90-day supply of their prescriptions via mail-order with a co-pay of \$12 for generic, 25% of formulary (minimum \$45 and maximum \$200) for preferred brand, and 100% of the cost for non-preferred brand.

Members pay different co-payments for insulin. Members pay 25% or \$30 maximum for preferred, and \$45 for a non-preferred 30-day supply. Mail-order copayments are 25% or \$60 maximum for preferred, and \$115 for non-preferred 90-day supply.



Non-Medicare Plan Benefits

	Aetna Managed Care/MMO PPO/	Aetna HMO	AultCare PPO	Kaiser HMO	Paramount HMO
Calendar Year Deductible	\$1,000/person \$2,000/family	\$1,000/person \$2,000/family	\$1,000/person \$2,000/family	\$1,000/person \$2,000/family	\$1,000/person \$2,000/family
Calendar Year Co-Insurance Limit	\$1,500/person \$3,000/family	\$1,500/single \$3,000/family	\$1,500/single \$3,000/family	\$500/single \$1,000/family	\$1,500/person \$3,000/family
Lifetime Max	None	None	None	None	None
Office visit	\$25 co-pay	20% co-insurance	\$25 co-pay	\$15 co-pay	\$15 co-pay
Specialist	\$25 co-pay	20% co-insurance	\$25 co-pay	\$15 co-pay	\$30 co-pay
Surgeon Fee	20% co-insurance	20% co-insurance	20% co-insurance	\$15 co-pay, 80% after deductible	20% co-insurance
Inpatient Hospital	20% co-insurance after \$250 co-pay	\$250 co-pay per admission	20% co-insurance after \$250 co-pay	20% co-insurance	20% co-insurance
Emergency Room	20% co-insurance	20% co-insurance	20% co-insurance	\$50 co-pay, waived if admitted	\$50 co-pay, waived if admitted
Ambulance	20% co-insurance	20% co-insurance	20% co-insurance	20% co-insurance	20% co-insurance
Outpatient Diagnostic X-Ray	20% co-insurance	20% co-insurance	20% co-insurance	20% co-insurance	20% co-insurance
Outpatient Diagnostic Lab	20% co-insurance	20% co-insurance	20% co-insurance	20% co-insurance	20% co-insurance
Outpatient Surgery (Facility Only)	20% co-insurance	100% coverage	20% co-insurance	20% co-insurance	20% co-insurance
Chiropractic	20% co-insurance	Not covered	\$25 co-pay	Not covered	\$30 co-pay
Durable Medical Equipment	20% co-insurance	20% co-insurance	20% co-insurance	20% co-insurance	20% co-insurance
Skilled Nursing Facility	20% co-insurance (365 day maximum)	Co-pay: \$0 per day 1-20, \$75 per day 21-100	20% co-insurance (365 day maximum)	20% co-insurance (100 day maximum)	Co-pay: \$0 per day 1-15, \$95 per day 16-100
Home Health Care	20% co-insurance	20% co-insurance	20% co-insurance	20% co-insurance	100% coverage
Hospice	Inpatient 100% coverage after deductible, 30 day lifetime limit. Outpatient: 20% co-insurance after deductible	Inpatient: \$250 per admission co-pay Outpatient: 100% coverage	20% co-insurance after deductible; 30 day inpatient lifetime maximum	100% coverage	100% coverage
Prescription Drugs	<u>Express Scripts</u> Retail pharmacies 30 day max: \$5 generic, 25% Preferred Brand (Min \$25, Max \$100) Mail order 90-day max: \$12 generic, 25% Preferred Brand (Min \$45, Max \$200) Non-preferred 100% of SERS' discounted cost	<u>Express Scripts</u> Retail pharmacies 30 day max: \$5 generic, 25% Preferred Brand (Min \$25, Max \$100) Mail order 90-day max: \$12 generic, 25% Preferred Brand (Min \$45, Max \$200) Non-preferred 100% of SERS' discounted cost	<u>BioScrip Pharmacy</u> Retail 30 day max: \$5 generic, 25% Preferred Brand (Min \$25, Max \$100) Mail order 90-day max: \$12 generic, 25% Preferred Brand (Min \$45, Max \$200) Non-preferred at 100%	<u>Kaiser Pharmacy</u> Retail 31 day max supply \$10 Co-payment Mail Order 90-day max supply \$25 Co-payment Non-preferred at 100%	<u>Express Scripts</u> Retail pharmacies 30 day max: \$5 generic, 25% Preferred Brand (Min \$25, Max \$100) Mail order 90-day max: \$12 generic, 25% Preferred Brand (Min \$45, Max \$200) Non-preferred 100% of SERS' discounted cost



Medicare Plan Benefits

	Aetna Medicare SM Plan (PPO)	AultCare PrimeTime HMO	Kaiser Permanente Medicare Plus	Paramount Elite Medicare Advantage
Deductible	\$300	None	None	\$300
Co-Insurance Limit	\$6,700 per person	\$3,400 per person	\$2,000/single \$6,000/family	\$6,700 per individual
Lifetime Max	None	None	None	None
Office visit	\$25 co-pay	\$20 co-pay	\$25 co-pay	\$20 co-pay
Specialist	\$25 co-pay	\$30 co-pay	\$25 co-pay	\$25 co-pay
Surgeon Fee	100% coverage	100% coverage	\$100 per visit	\$25 co-pay
Inpatient Hospital	\$500 co-pay per admission	\$500 co-pay per admission	\$500 co-pay per benefit period	\$500 co-pay per admission
Emergency Room	\$50 co-pay, waived if admitted	\$50 co-pay, waived if admitted	\$50 co-pay, waived if admitted	\$50 co-pay, waived if admitted
Ambulance	20% co-insurance	\$75 co-pay	\$50 co-pay	100% coverage
Outpatient Diagnostic X-Ray	\$25 co-pay	100% coverage	100% coverage	100% coverage
Outpatient Diagnostic Lab	100% coverage	100% coverage	100% coverage	100% coverage
Outpatient Surgery	\$100 co-pay per surgery	\$100 co-pay per surgery	\$100 co-pay per surgery	\$100 co-pay per surgery
Chiropractic	\$15 co-pay limited to Medicare coverage	\$30 co-pay limited to Medicare coverage	\$25 co-pay for manual manipulations/sublux	\$25 co-pay limited to Medicare coverage
Durable Medical Equipment	20% co-insurance	20% co-insurance	20% co-insurance	20% co-insurance
Skilled Nursing Facility	Co-pay: \$0 per day 1- 10, \$25 per day 11-20, \$50 per day 21-100 (100 day maximum)	Co-pay: \$0 per day 1- 15, \$20 per day 16-30, \$0 per day 31-100 (100 day maximum)	100% coverage (100 day maximum)	Co-pay: \$0 per day 1- 15, \$95 per day 16- 100 (100 day maximum)
Home Health Care	100% coverage	100% coverage	100% coverage	100% coverage
Hospice	Covered per Medicare rules	100% coverage	Not covered	Covered per Medicare rules
Prescription Drugs	<u>Express Scripts Medicare D PDP</u> Retail pharmacies 30 day max: \$5 generic, 25% Preferred Brand (Min \$25, Max \$100) Mail order 90-day max: \$12 generic, 25% Preferred Brand (Min \$45, Max \$200) Non-preferred 100% of SERS' discounted cost	<u>BioScrip Pharmacy</u> Retail 30 day max: \$5 generic, 25% Preferred Brand (Min \$25, Max \$100) Mail order 90-day max: \$12 generic, 25% Preferred Brand (Min \$45, Max \$200) Non- preferred at 100%	<u>Kaiser Retail</u> 31 day max supply \$15 generic, \$30 Brand Formulary Mail Order 90-day max supply \$15 generic, \$30 Brand Formulary Non-preferred at 100%	<u>Express Scripts Medicare D PDP</u> Retail pharmacies 30 day max: \$5 generic, 25% Preferred Brand (Min \$25, Max \$100) Mail order 90-day max: \$12 generic, 25% Preferred Brand (Min \$45, Max \$200) Non-preferred 100% of SERS' discounted cost



SCHEDULE D

DETAILED TABULATIONS OF THE DATA

**All Retirees, Spouses and Dependents Receiving Health Care
Male and Female Demographic Breakdown
June 30, 2011
Tabulated by Attained Ages**

Attained Age	Number of		Total Number
	Males	Females	
Under 20	125	98	223
20-24	75	76	151
25-29	5	9	14
30-34	4	2	6
35-39	7	5	12
40-44	14	31	45
45-49	89	96	185
50-54	336	342	678
55-59	686	1,007	1,693
60-64	1,114	2,371	3,485
65-69	1,944	4,964	6,908
70-74	2,954	6,272	9,226
75-79	2,869	5,834	8,703
80-84	2,245	5,363	7,608
85-89	1,451	4,343	5,794
90-94	585	2,145	2,730
95-99	92	538	630
100	3	18	21
101	0	16	16
102	0	10	10
103	1	9	10
104	0	1	1
105 & Over	0	2	2
Total	14,599	33,552	48,151



Terminated Vested Members Eligible for Health Care at Age 60
Male and Female Demographic Breakdown
June 30, 2011
Tabulated by Attained Ages

Attained Age	Number of		Total Number
	Males	Females	
30-34	13	9	22
35-39	17	41	58
40-44	61	126	187
45-49	127	352	479
50-54	238	788	1,026
55-59	242	1,176	1,418
60 & Over	157	670	827
Total	855	3,162	4,017



**Total Active Members as of June 30, 2011
Tabulated by Attained Ages and Years of Service**

Attained Age	Years of Service to Valuation Date							Totals
	0-4	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29	30+	
Under 20	743							
Avg Pay	\$5,274							\$3,918,912
20-24	5,126	98						
Avg Pay	\$8,130	\$21,574						\$43,786,813
25-29	5,216	822	64					
Avg Pay	\$13,317	\$27,323	\$33,650					\$94,074,024
30-34	4,457	1,595	636	37				
Avg Pay	\$14,457	\$28,050	\$33,800	\$39,169				\$132,119,644
35-39	5,415	2,322	1,357	347	31			
Avg Pay	\$13,904	\$24,828	\$33,973	\$39,385	\$41,613			\$193,997,101
40-44	6,969	3,858	2,778	871	354	48		
Avg Pay	\$13,018	\$22,581	\$29,537	\$39,266	\$44,494	\$47,476		\$312,126,275
44-49	6,373	5,085	5,065	1,933	994	634	102	
Avg Pay	\$13,437	\$21,961	\$27,038	\$32,966	\$40,710	\$46,330	\$48,900	\$472,798,069
50-54	5,165	4,592	5,996	3,753	2,103	1,145	610	
Avg Pay	\$14,221	\$22,501	\$26,320	\$29,368	\$34,976	\$43,364	\$46,746	\$596,534,185
55-59	3,478	2,874	4,067	3,406	3,078	1,560	720	
Avg Pay	\$14,378	\$23,497	\$27,245	\$28,897	\$31,770	\$37,338	\$43,815	\$514,352,304
60-64	2,173	1,857	1,977	1,732	2,228	1,716	872	
Avg Pay	\$13,737	\$23,132	\$27,433	\$30,081	\$31,170	\$33,530	\$36,420	\$337,885,726
65-69	887	729	681	465	557	578	552	
Avg Pay	\$9,970	\$18,465	\$25,265	\$28,379	\$29,925	\$31,478	\$30,827	\$104,584,912
70 & over	537	473	341	219	196	208	482	
Avg Pay	\$8,055	\$14,090	\$18,806	\$23,737	\$23,306	\$27,177	\$27,755	\$46,200,648
Totals	46,539	24,305	22,962	12,763	9,541	5,889	3,338	125,337
Avg Pay	\$12,841	\$23,028	\$27,664	\$30,728	\$33,490	\$37,517	\$38,107	\$22,758

Averages:
 Age: 48.4
 Service: 9.9
 Annual Pay: \$22,758



**Male Active Members as of June 30, 2011
Tabulated by Attained Ages and Years of Service**

Attained Age	Years of Service to Valuation Date							Totals
	0-4	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29	30+	
Under 20 Avg Pay	438 \$5,471							\$2,396,201
20-24 Avg Pay	2,502 \$8,378	64 \$23,640						\$22,475,794
25-29 Avg Pay	2,460 \$13,180	428 \$31,543	39 \$37,955					\$47,402,261
30-34 Avg Pay	1,813 \$14,986	603 \$34,273	287 \$41,076	20 \$46,232				\$60,549,803
35-39 Avg Pay	1,798 \$15,568	628 \$33,232	437 \$44,134	156 \$45,940	16 \$39,548			\$75,947,656
40-44 Avg Pay	2,068 \$14,008	733 \$32,500	578 \$43,123	322 \$50,575	165 \$49,331	18 \$53,459		\$103,103,376
44-49 Avg Pay	2,071 \$14,407	945 \$31,197	761 \$41,684	385 \$47,460	370 \$49,877	341 \$50,837	52 \$50,370	\$147,720,280
50-54 Avg Pay	1,923 \$15,046	1,014 \$30,434	868 \$39,324	501 \$44,283	455 \$46,949	496 \$51,556	331 \$50,896	\$179,892,684
55-59 Avg Pay	1,546 \$15,854	965 \$29,817	782 \$38,250	536 \$41,607	477 \$45,943	406 \$48,605	321 \$49,787	\$163,125,856
60-64 Avg Pay	1,125 \$15,178	819 \$27,075	559 \$35,878	373 \$41,523	347 \$44,525	293 \$46,769	190 \$47,155	\$112,906,291
65-69 Avg Pay	476 \$11,725	403 \$20,159	298 \$29,529	153 \$35,842	116 \$41,378	103 \$43,789	57 \$44,228	\$39,819,844
70 & over Avg Pay	288 \$9,845	259 \$17,284	175 \$23,151	91 \$30,655	46 \$29,522	49 \$37,185	35 \$39,826	\$18,727,170
Totals	18,508	6,861	4,784	2,537	1,992	1,706	986	37,374
Avg Pay	\$13,436	\$29,771	\$38,912	\$43,712	\$46,241	\$49,026	\$49,008	\$26,063

Averages:
 Age: 46.6
 Service: 8.2
 Annual Pay: \$26,063



**Female Active Members as of June 30, 2011
Tabulated by Attained Ages and Years of Service**

Attained Age	Years of Service to Valuation Date							Totals
	0-4	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29	30+	
Under 20	305							
Avg Pay	\$4,992							\$1,522,711
20-24	2,624	34						
Avg Pay	\$7,892	\$17,686						\$21,311,018
25-29	2,756	394	25					
Avg Pay	\$13,439	\$22,739	\$26,934					\$46,671,763
30-34	2,644	992	349	17				
Avg Pay	\$14,094	\$24,268	\$27,816	\$30,860				\$71,569,841
35-39	3,617	1,694	920	191	15			
Avg Pay	\$13,076	\$21,713	\$29,147	\$34,030	\$43,815			\$118,049,445
40-44	4,901	3,125	2,200	549	189	30		
Avg Pay	\$12,601	\$20,255	\$25,967	\$32,633	\$40,271	\$43,887		\$209,022,899
44-49	4,302	4,140	4,304	1,548	624	293	50	
Avg Pay	\$12,970	\$19,853	\$24,448	\$29,361	\$35,274	\$41,084	\$47,372	\$325,077,789
50-54	3,242	3,578	5,128	3,252	1,648	649	279	
Avg Pay	\$13,732	\$20,253	\$24,119	\$27,071	\$31,670	\$37,103	\$41,823	\$416,641,501
55-59	1,932	1,909	3,285	2,870	2,601	1,154	399	
Avg Pay	\$13,198	\$20,302	\$24,626	\$26,524	\$29,171	\$33,374	\$39,011	\$351,226,448
60-64	1,048	1,038	1,418	1,359	1,881	1,423	682	
Avg Pay	\$12,191	\$20,022	\$24,103	\$26,940	\$28,707	\$30,805	\$33,429	\$224,979,435
65-69	411	326	383	312	441	475	495	
Avg Pay	\$7,936	\$16,372	\$21,947	\$24,720	\$26,913	\$28,808	\$29,284	\$64,765,068
70 & over	249	214	166	128	150	159	447	
Avg Pay	\$5,985	\$10,225	\$14,226	\$18,819	\$21,399	\$24,093	\$26,810	\$27,473,478
Totals	28,031	17,444	18,178	10,226	7,549	4,183	2,352	87,963
Avg Pay	\$12,448	\$20,376	\$24,704	\$27,506	\$30,126	\$32,823	\$33,538	\$21,353

Averages:
 Age: 49.1
 Service: 10.7
 Annual Pay: \$21,353



**Active Members as of June 30, 2011
By Annual Pay**

Annual Pay	Number of Active Members			Portion of Total Number	
	Men	Women	Totals	Group	Cumulative
Less than \$1,000	238	275	513	0.4%	0.4%
\$1,000 - 1,999	1,136	1,294	2,430	1.9%	2.3%
2,000 - 2,999	2,188	2,100	4,288	3.4%	5.8%
3,000 - 3,999	2,248	2,353	4,601	3.7%	9.4%
4,000 - 4,999	1,692	2,298	3,990	3.2%	12.6%
5,000 - 5,999	1,295	2,243	3,538	2.8%	15.4%
6,000 - 6,999	987	2,068	3,055	2.4%	17.9%
7,000 - 7,999	834	2,217	3,051	2.4%	20.3%
8,000 - 8,999	715	2,136	2,851	2.3%	22.6%
9,000 - 9,999	655	2,242	2,897	2.3%	24.9%
10,000 - 11,999	1,243	4,490	5,733	4.6%	29.5%
12,000 - 13,999	1,215	4,624	5,839	4.7%	34.1%
14,000 - 15,999	1,174	5,749	6,923	5.5%	39.7%
16,000 - 17,999	1,255	6,973	8,228	6.6%	46.2%
18,000 - 19,999	1,070	6,373	7,443	5.9%	52.2%
20,000 - 24,999	2,367	12,929	15,296	12.2%	64.4%
25,000 - 29,999	2,158	8,378	10,536	8.4%	72.8%
30,000 - 35,999	3,346	7,256	10,602	8.5%	81.2%
36,000 and over	11,558	11,965	23,523	18.8%	100.0%
Totals	37,374	87,963	125,337		



SCHEDULE E

GLOSSARY

Actuarial Accrued Liability. The difference between (i) the actuarial present value of future plan benefits, and (ii) the actuarial present value of future normal cost. Sometimes referred to as "accrued liability" or "past service liability".

Accrued Service. The service credited under the plan which was rendered before the date of the actuarial valuation.

Actuarial Assumptions. Estimates of future plan experience with respect to rates of mortality, disability, turnover, retirement, rate or rates of investment income and salary increases. Decrement assumptions (rates of mortality, disability, turnover and retirement) are generally based on past experience, often modified for projected changes in conditions. Economic assumptions (salary increases and investment income) consist of an underlying rate in an inflation-free environment plus a provision for a long-term average rate of inflation.

Actuarial Cost Method. A mathematical budgeting procedure for allocating the dollar amount of the "actuarial present value of future plan benefits" between the actuarial present value of future normal cost and the actuarial accrued liability. Sometimes referred to as the "actuarial funding method".

Actuarial Equivalent. A series of payments is called an actuarial equivalent of another series of payments if the two series have the same actuarial present value.

Actuarial Present Value. The amount of funds presently required to provide a payment or series of payments in the future. It is determined by discounting the future payments at a predetermined rate of interest, taking into account the probability of payment.

Age-Related Morbidity. Assumed increase to the net incurred claims related to increase in age.

Amortization. Paying off an interest-bearing liability by means of periodic payments of interest and principal, as opposed to paying it off with a lump sum payment.

Experience Gain (Loss). A measure of the difference between actual experience and that expected based upon a set of actuarial assumptions during the period between two actuarial valuation dates, in accordance with the actuarial cost method being used.

Health Care Cost Trend Rates. The annual assumed rate of increase for both claims and contributions.

Normal Cost. The annual cost assigned, under the actuarial funding method, to current and subsequent plan years. Sometimes referred to as "current service cost". Any payment toward the unfunded actuarial accrued liability is not part of the normal cost.

Plan Termination Liability. The actuarial present value of future plan benefits based on the assumption that there will be no further accruals for future service and salary. The termination liability will generally be less than the liabilities computed on a "going concern" basis and is not normally determined in a routine actuarial valuation.

Reserve Account. An account used to indicate that funds have been set aside for a specific purpose and are not generally available for other uses.



Unfunded Actuarial Accrued Liability. The difference between the actuarial accrued liability and valuation assets. Sometimes referred to as "unfunded accrued liability".

Valuation Assets. The value of current plan assets recognized for valuation purposes. Generally based on book value plus a portion of unrealized appreciation or depreciation.